

# **REVITALIZATION AREA REHABILITATED STRUCTURES TAX CREDIT**

## **Frederick County and the Town of Middletown**

The Board of County Commissioners and the Town of Middletown have enacted a property tax credit to provide an incentive for owners of commercially-used properties located within certain designated revitalization areas to improve, renovate and rehabilitate dilapidated, decaying or neglected structures that may be situated on those properties. The Board and the Town also designated the Town of Middletown Revitalization Area as an area to which this new tax credit shall apply. The tax credit applies to the County and municipality taxes only – it does not apply to any special taxing district tax.

To qualify for and remain eligible to participate in this credit program, a structure must be located within a designated revitalization area and be actually improved, renovated or rehabilitated as intended by the program. Neither the structure nor the real property on which it is located may be receiving any other tax credit.

To further qualify, a structure must meet the following requirements;

- The structure must be located in a designated revitalization area as provided for in Section 1-8-304(M) of the County Code and Section 3.12.050 of the Town of Middletown Code.
- The structure must be lawfully used, or have been used, for non-residential purposes prior to rehabilitation for commercial or industrial purposes
- If a structure had previously been used by residential purposes, the permitted and actual use of the structure must have received a change of use approval from all relevant local authorities and the actual use of the structure must have changed lawfully to commercial or industrial use prior to the commencement of rehabilitation and application for this tax credit
- Both single and multiple tenant structures are eligible to qualify for this tax credit assuming all other eligibility requirements are met
- Only rehabilitation of existing structures is eligible – new construction is not eligible
- The structure (whether a single occupant building or a multiple tenant structure) must have been constructed no fewer than five years prior to rehabilitation of the structure and submission of an application by the property owner for this tax credit
- Where a structure is being used, or has been used, for both residential and non-residential use, and the structure otherwise qualifies, this tax credit shall only be available for the rehabilitated non-residential portion of the structure

Qualifying structures shall be eligible for this credit for seven (7) consecutive years after first qualifying for this credit. The first tax year the tax credit shall become available for a qualifying structure shall be the first tax year in which its County property taxes would otherwise have increased due to the qualifying rehabilitation project. The last tax year this County property tax credit shall be available shall be the sixth tax year that follows the first tax year.

The amount of the credit will be the following percentage of the lesser of either the increase in assessed value attributable to the rehabilitation or of the actual cost of the rehabilitation:

1. 100% in the first, second and third qualifying taxable years
2. 80% in the fourth qualifying taxable year
3. 60% in the fifth qualifying taxable year
4. 40% in the sixth qualifying taxable year
5. 20% in the seventh qualifying taxable year

The amount of the tax credit granted under this program may not exceed the property tax increase attributable to the increase in the assessment of the structure over the assessment before the structure is rehabilitated. The property tax credit will be determined based upon the lesser of:

1. The increase in the assessed value of the property attributable to the rehabilitation, over the assessed value before the property was rehabilitated; or
2. The actual cost expended for the rehabilitation.

On or before April 30 of each calendar year, property owners shall file annually an application, signed under oath or affirmation, for this credit with the County Treasurer. Failure to do so shall mean that the otherwise qualifying property shall not be entitled to receive a tax credit for the following tax year (July 1 through June 30).

All other provisions of County Code 1-8-304 and Town of Middletown Code Section 3.12.050 apply.

**REVITALIZATION AREA REHABILITATED STRUCTURES TAX CREDIT APPLICATION FORM**  
**Frederick County and the Town of Middletown, Maryland**

In order for applicants to receive a revitalization area tax credit, they must apply on or before April 30 for the tax credit to appear on the following Fiscal Year's tax bill (mailed July 1). Please submit this form to the Director of Treasury, 30 N. Market Street, Frederick, MD 21701.

**I. APPLICANT**

Name of Applicant: \_\_\_\_\_ Phone: \_\_\_\_\_

Address: \_\_\_\_\_

Property Location: \_\_\_\_\_

Rehabilitation Project Cost: \$ \_\_\_\_\_

Date Rehabilitation Project Began: \_\_\_\_\_ Date Rehabilitation Project Completed: \_\_\_\_\_

I hereby make oath that I am the present owner of the above property, that the subject property for which this tax credit application is submitted meets all of the requirements of Frederick County Code 1-8-301 and 1-8-304, and Town of Middletown Code Section 3.12.050 and that this certification and the above information is true and correct.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

**II. STATE DEPARTMENT OF ASSESSMENTS AND TAXATION**

First full year the improvements were added to the assessment roll: \_\_\_\_\_

Increase in assessment attributable to reconstruction, rehabilitation and improvement of existing structure(s) in the above revitalization area:

\$ \_\_\_\_\_ Account No. \_\_\_\_\_

\_\_\_\_\_  
Supervisor of Assessments

\_\_\_\_\_  
Date

**III. TOWN OF MIDDLETOWN**

I certify that the above property is located within the revitalization area in the Town of Middletown, Frederick County, Maryland.

Fiscal Year of Tax Credit	Assessment Increase	Project Cost	Tax Rate	% of Exemption *	Amount of Exemption
_____	\$ _____	\$ _____	_____	_____	\$ _____

\_\_\_\_\_  
Andrew J. Bowen, Town Administrator

\_\_\_\_\_  
Date

**IV. BOARD OF COUNTY COMMISSIONERS**

Fiscal Year of Tax Credit	Assessment Increase	Project Cost	Tax Rate	% of Exemption *	Amount of Exemption
_____	\$ _____	\$ _____	_____	_____	\$ _____

\_\_\_\_\_  
President  
Board of County Commissioners

\_\_\_\_\_  
Date

\* THIS IS THE \_\_\_\_\_ YEAR THE APPLICANT HAS APPLIED FOR THE TAX CREDIT.